The industrial and labour relations environment in Namibia
The environment for industrial and labour relations in Namibia

- Every organisation affected by environment in which it operates
- A good organisation has ability to anticipate change
- It has ability to respond to change accordingly
- Understanding of impact of both internal and external influences on every component of the organisation is critical to sound management
- Human element coexist closely with as closely as possible with the socio-economic and political environments
The environment for industrial and labour relations in Namibia

- Labour for organisation drawn from the society
- Any factors that impact on society as a whole also impacts the organisation (See Figure 1.3)
Factors that influence/impact the organisation

- The micro-environment
  - Comprises;
    - Culture
    - Leadership
    - Communication
    - Structures
    - Nature of workforce
    - Policies and procedures
Organisation culture

- Shared values
- Norms
- Beliefs, unite group members in common purpose
- Strong culture is way things are done
- Positive culture geared to avoid conflict
- Strong culture strive for promotion of harmonious working relationships
Leadership

- Increasingly becoming an important component
- Leaders secure cooperation of followers
- Not all managers are leaders
- Leaders identified by their styles
- Transactional merely get workers perform at required levels by rewards and promotions
- Transformational leaders inspire followers to reach higher levels of performance
- Transformational leaders display high charisma and integrity
- Positive labour relations depend on type of leadership
Communication

- Effective labour relations depend on effective communication
- The problem is most organisations rely more on top-down communication
- Top-down distracts the spirit of participation and co-operation forming basis of new labour relations
- Workers feel more comfortable with the bottom-up approach;
- Workers freely express themselves to top management
- Language of communication also very important and is emphasized.
The nature of workforce

- There is rich diversity – different cultures
- A host of cultures co-exist protected by constitution
- Any organisation can claim to have Wambos, Hereros, Namas, Damaras, Kavangos, Germans etc.
- Number of women employed in an organisation is an issue
- Gender empowerment promoted to a certain extent
- Still sensitive to sexual orientation (discrimination/stigmatised?)
- Issue of disability?
- Varied levels of skills and education?
- Skills development Act?
Policies and procedures

- Elements that provide direction in and regulate activities of members and organisations
- Are plans of action that set the course and direction of achieving objectives
- Procedures is the game plan or manner of accomplishing objectives
- Policy set out the “what?” and procedures the “how?”
- Organisations have sets of policies and procedures that coordinate and facilitate the labour relationship
The macro-environment

- Is its external environment
- It is generally less readily controllable
- Comprises of the economy, socio-political environment, the legal framework and social environment
Economy

- Sub-divided into a number of factors impacting on employment relationship:
  - Government policy
  - Inflation
  - Unemployment
  - Globalisation
  - Retaining competitive advantage
  - Technology
Government policy

- **Monetary policy** - deliberate Reserve Bank interventions to influence the supply of money into the economy.

- Above leads to:
  - Adjusted interest rates
  - Price stability
  - Hopefully improved economic growth
  - But increase in money supply leads to inflation
  - Increases wage demands
  - Increase in wage demands not accompanied by a relative increase in output lead to further inflation
Fiscal policy

- Refers to government’s tax and expenditure decisions affecting nation output of goods and services

- Implications of increases in Namibian tax burden:
  - More money available for government skills development programmes; social welfare etc.
  - Investment both local and foreign becomes less attractive (job creation becomes difficult)
  - Increases in taxes necessitate wage increases because less money is available for discretionary spending
  - Dilemma Namibia faces now! Bloated civil service
Inflation and unemployment

- Unemployment – total number of unemployed persons who would like to work but unable to find jobs
- Refers to more sector of industry
- Inflation – persistent and appreciable increase in general price levels. (Represented by price index)
- Concerns itself with general price level (See p.38)
Globalisation and retaining a competitive advantage

- Size of global reduced over past two decades
- Reduction of global village due to advances in information technology; particularly the interface between telecommunications and information technology
Technology

- Improvements in technology have affected the employment relationship
- Technology often used as a replacement of labour
- Production lines increasingly automated
- Expert and other information systems being used in organisations to replace middle and lower management
Technology. Contd.

- Improvements in technology have also served to complement labour
- Work processes now increasingly more efficient
- Secretaries and admin have access to vastly improved computer technology
- Managers at various levels various decision making systems
- Mechanics etc. no longer doing their jobs manually – have power tools, computer assisted diagnostics equipment
- Design and place of work impacted as well
- For example, virtual office and telecommuting
- Working from home etc
Effect of technology on labour relations

- Introduction of technology must be on consultation (Labour Act advises)

- Workplace forum has right to be consulted on introduction of new technology by employer (Restructuring and new methods of work) – Roshpinah Case!
The socio-political environment

- Namibia political dispensation is based on democracy reflects the ideology supported by the majority who voted – is this manifested in Namibian labour relations?
- Are political aspirations reflected between employers and workers reflected in the workplace?
- Are workers aspirations also reflected in the political arena since they will vote for the political parties?
The socio-political environment. 
Contd.

- Workplace microcosm of greater society
- Social inequalities before Namibia’s independence were also reflected in the workplace
- This accentuated the need for promised freedom, equality and economic prosperity for all.
- Labour Act has emphasized democracy in workplaces
The Legal framework

- At independence legislation introduced to address labour relations issues;
  - Employment Equity Act
  - Labour Relations Act
  - Basic Conditions of Employment Act
  - Skills Development Act
The social environment

- Numerous social factors affect labour relations
- Since labour pool drawn from society
- Social factors include:
  - Racial and,
  - Gender imbalances,
  - Education and training,
  - Poverty and standard of living, and
  - Healthcare
Racial and gender imbalances

- Since 1990 racial & gender composition of top and senior management positions has changed in organisations
- See Table 1.7 and 1.8 pp.41-42
- These are positive moves but the reality is Namibian males still dominate both top and senior management
- In SA, between 2013 – 2014 Commission of Equity Report; whites occupy 62.7% and 57%, and men occupy 79.4% and 70.1% of top and senior managerial positions. (What is the situation in Namibia?) Research Topic?
Education and training

- Namibia blamed for poor track record of human resource development
- Lack of skills is cited a major cause of Namibia’s failure to be globally competitive (Another research topic – determining /predicting Namibia’s failure to be globally competitive: The case Namibia’s Human Resource Development between 1990 to 2016?)
Education and training. Contd.

- Namibia, historically has an oversupply of white skills
- There is low demand for black skills
- The ratio of unskilled worker estimated to be in the region of 1:5 as compared to advanced economies 1:2 (Research!!)
- ILO – 2001 to 2012 (Table 1.9) suggest high skilled jobs grew by 1.14 million
Education and training. Contd.

- 768,000 medium skilled and 613,000 unskilled jobs were created.
- Employed rate for highly skilled was twice that of overall employment growth rate.
- There was relative growth rate of managers and professional employment at 2 or 3 times overall employment growth overall.
Education and training. Contd.

- Upward trend in growth of high skilled jobs similarly matched by overall growth in overall number of jobs in tertiary sector of economy (trade, transport, financial services, community services and private households) (Table 1.10)
- Medium and high skilled accounted for 715 of growth in jobs in this sector
- Total number of 2.7 million jobs created overall
Education and training. Contd.

- In contrast jobs in primary sector (Agriculture, fishing and mining) declined by approximately 719,000
- Jobs in tertiary sector (manufacturing, utilities and construction) grew by 537,000 jobs
Apartheid

- Historical skills imbalances attributed to apartheid
- Apartheid created massive discrepancies in the education system
- Estimates of massive discrepancies in SA:
  - 56.4% of population had a standard Four (Grade 6) education or lower
  - 35% of the economic population were functionally illiterate,
  - 1.8 million people had no education at all
  - Only 15.8% of the population had a school leaving certificate (In Namibia, what is/was the situation??)
Apartheid. Contd.

- Hardest hit were blacks
- Arguably the situation has improved tremendously
- However vast discrepancies still exist
- Learners in township schools still lack basic resources as compared to those in former white and private schools (Computers, libraries, textbooks and stationary for example).
Apartheid. Contd.

- Besides above, enrolments have grown tremendously in township schools.
- There were discrepancies in university enrolments at tertiary institutions and universities.
- Most white Namibians sent their children to SA for further education *(Another grey area for research!?)*
- Also look at steady rise of black enrolments at technikons, distance education etc. *(SA figure by 2011 was 366 948)*
Poverty and standard of living (Human development index)

- HDI – perceived as a measure of longevity, knowledge and income
- HDI considers whether people in particular country have ability lead a long fruitful life
- HDI also considers whether people participate and communicate in the community
- HDI also considers whether people have the means to afford a decent lifestyle
- The higher the HDI value, the better the country is.
- South Africa has an HDI of 0.69 and ranked 121 out of 186 countries in 2012. Namibia?
Healthcare

- Crisis in healthcare summed up by Reconstruction and development (RDP) (1994) document:

  The mental, physical and social health of South African and Namibians has been severely damaged by apartheid policies and their consequences. The healthcare and social services that have been developed are grossly inefficient and inadequate. There are, by international standards, probably enough nurse, doctors and hospital beds. South Africa spends R550 per capita per annum on healthcare.
Healthcare. Contd.

- This is nearly 10 times what the World Bank estimates it should cost to provide basic public health services and essential clinical services for all, yet millions of our people are without such services. Health services are fragmented, inefficient, and ineffective, resources are grossly mismanaged and poorly distributed. The situation in rural areas is particularly bad.
Healthcare. Contd.

- No much change has been in healthcare
- It seems that the crisis has worsened
- Severely under-resourced provincial hospitals are testimony to this
- Medical aid costs continue to spiral
- HIV/AIDS continue to have a marked impact in workplace
Healthcare. Contd.

- UNAIDS stats as of 2012 say:
  - 17.9% individuals of between 15 to 49 are infected
  - 3.4 women are infected
  - There is 2.5 million AIDS orphans
  - 410,000 between ages of 0 to 14 are infected
- Stats have significant implications for a country’s labour market now and in the future. (Possible research topic).
Healthcare. Contd.

- Code of Good Practice on key aspects of HIV/AIDS:
  - Seeks to limit discrimination and stigmatisation of the infected in workplaces
  - Seeks to provide trade unions and employers with guidelines relating to management of HIV/AIDS in workplaces
  - The guidelines seek to create an environment free of discrimination
  - An environment that provides for testing, counselling, confidentiality and disclosure, etc. p.45